

1974

c 134 The Ontario Land Corporation Act, 1974

Ontario

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CHAPTER 134

**An Act to establish
the Ontario Land Corporation***Assented to February 14th, 1975*

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

INTERPRETATION

1. In this Act,Interpre-
tation

- (a) "Board" means the Board of Directors of the Corporation;
- (b) "Corporation" means the Ontario Land Corporation;
- (c) "Minister" means the member of the Executive Council to whom the administration of this Act is assigned by the Lieutenant Governor in Council;
- (d) "Treasurer of Ontario" means the Treasurer of Ontario and Minister of Economics and Inter-governmental Affairs.

2. Except as herein otherwise provided, *The Corporations Act*, *The Loan and Trust Corporations Act* and *The Mortgage Brokers Act* do not apply to the Corporation.

Application
of
R.S.O. 1970,
cc. 89, 254, 278

INCORPORATION

3. There is hereby established a corporation without share capital under the name of "Ontario Land Corporation".

Incorporation

BOARD OF DIRECTORS

4. (1) There shall be a Board of Directors of the Corporation consisting of not fewer than six and not more than twelve members who shall be appointed by the Lieutenant Governor in Council to hold office for a term not exceeding three years.

Board of
Directors

Chairman

(2) The Lieutenant Governor in Council shall designate one of the directors as chairman of the Board.

Reappointment

(3) Each of the directors is eligible for reappointment upon the expiration of his term of office.

Remuneration

(4) The Corporation may pay those of its directors who are not officers in the public service of Ontario such remuneration and expenses as may from time to time be fixed by the Lieutenant Governor in Council and such remuneration and expenses shall be part of the administration expense of the Corporation.

Seat in Assembly not vacated
R.S.O. 1970,
c. 240

(5) Notwithstanding anything in *The Legislative Assembly Act*, a member of the Assembly who is appointed a member of the Board is not thereby rendered ineligible as a member of the Assembly or disqualified from sitting or voting in the Assembly.

Removal from office

(6) A member of the Board may be removed by the Lieutenant Governor in Council from office before the expiration of his term, and the Lieutenant Governor in Council may appoint any person in his stead for the remainder of his term.

CONFLICT

Disclosure by director of interest in contracts

R.S.O. 1970,
c. 100

5. (1) Every director of the Corporation who has, directly or indirectly, any interest in any contract or transaction to which the Corporation or any corporation that is a Crown agency within the meaning of *The Crown Agency Act* is or is to be a party, other than a contract or transaction in which his interest is limited solely to his remuneration as a director, officer or employee, shall declare his interest in such contract or transaction at a meeting of the directors of the Corporation and shall at that time disclose the nature and extent of such interest including, as to any contract or transaction involving the purchase or sale of property by or to the Corporation or any corporation that is a Crown agency within the meaning of *The Crown Agency Act*, the cost of the property to the purchaser and the cost thereof to the seller if acquired by the seller within five years before the date of the contract or transaction, to the extent to which such interest or information is within his knowledge or control, and shall not vote and shall not in respect of such contract or transaction be counted in the quorum.

Interest to be material

(2) Subsection 1 does not require the disclosure of any interest in any contract or transaction unless the interest and the contract or transaction are both material.

(3) The declaration required by this section shall be made at the meeting of the directors at which the proposed contract or transaction is first considered, or if the director is not at the date of the meeting interested in the proposed contract or transaction, at the next meeting of the directors held after he becomes so interested, or if the director becomes interested in a contract or transaction after it is entered into, at the first meeting of the directors held after he becomes so interested, or if a contract or a proposed contract or transaction is one that in the ordinary course of the Corporation's business, would not require approval by the directors, at the first meeting of the directors held after the director becomes aware of it.

When
declaration
of interest
to be made

(4) If a director has made a declaration and disclosure of his interest in a contract or transaction in compliance with this section and has not voted in respect of the contract or transaction at the meeting of the directors of the Corporation, the director, if he was acting honestly and in good faith at the time the contract or transaction was entered into, is not by reason only of his holding the office of director accountable to the Corporation for any profit or gain realized from the contract or transaction, and the contract or transaction, if it was in the best interest of the Corporation at the time the contract or transaction was entered into, is not voidable by reason only of the director's interest therein.

Effect of
declaration

(5) For the purposes of this section, a general notice to the directors by a director declaring that he is a director or officer of, or has a material interest in the person that is a party to a contract or proposed contract with the Corporation is a sufficient declaration of interest in relation to any contracts so made.

General
notice

OATH OF OFFICE AND SECRECY

6. Every director, officer or employee of the Corporation and every agent and adviser whose services are engaged by the Corporation shall before entering upon his duties take, before a commissioner of oaths, the following oath or affirmation:

Oath of
office and
secrecy

I
do solemnly swear (or affirm) that I will faithfully, honestly and to the best of my judgment, skill and knowledge, execute and perform the duties required of me by *The Ontario Land Corporation Act, 1974* and all rules, directions and instructions thereunder as a director (officer, employee or agent, as the case may be) of the Ontario Land Corporation and that properly relate to my duties as a director (officer, employee or agent, as the case may be) of the Corporation.

I further solemnly swear (or affirm) that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the business of the Corporation, nor will I without due authority, allow any such person to inspect or have access to any books or documents belonging to or in the possession of the Corporation and relating to the business of the Corporation.

Chairman
to preside

7.—(1) The chairman shall preside at all meetings of the Board and, in his absence, one of the directors present thereat who is chosen so to act by the directors present shall preside and has and may exercise the powers of the chairman.

Quorum

(2) A majority of the directors constitutes a quorum for the transaction of business at meetings of the Board.

By-laws

(3) The Board may make by-laws regulating its proceedings and generally for the conduct and management of the affairs of the Corporation.

By-laws
and
resolutions

8. Any by-law or resolution consented to by the signatures of all of the directors is as valid and effective as if it had been passed at a meeting of the Board held for that purpose.

Management

9. The Board shall manage or supervise the management of the business and affairs of the Corporation, provided that, in accordance with the policy of the Government of Ontario relating to the acquisition, use and development of land, the Board shall comply with any directions from time to time given to it in writing by the Lieutenant Governor in Council or the Minister with respect to the exercise of its powers.

Matters
not to be
asserted by
Corporation

10. The Corporation may not assert against a person dealing with the Corporation or with any person who has acquired rights from the Corporation that,

- (a) the provisions of this Act have not been complied with;
- (b) a direction referred to in section 9 has not been complied with;
- (c) a person held out by the Corporation as a director, an officer or an agent of the Corporation has not been duly appointed or has no authority to exercise the powers and perform the duties that are customary in the business of the Corporation or usual for such director, officer or agent; or

- (d) a document issued by any director, officer or agent of the Corporation with actual or usual authority to issue the document is not valid or not genuine,

except where the person has or ought to have by virtue of his position with or relationship to the Corporation knowledge to the contrary.

11. Each director and each officer of the Corporation and his heirs, executors and administrators shall be indemnified and saved harmless by the Corporation from and against all costs, charges and expenses that he sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against him for or in respect of any act, deed, matter or other thing, made, done or permitted by him in or about the execution of the duties of his office and any payments made by the Corporation with respect to such costs, charges and expenses, shall be part of the administration expense of the Corporation. Indemnification of officers and directors

12.—(1) The Board shall elect from amongst their number an executive committee consisting of not fewer than three directors, one of whom shall be the chairman of the Board, and may delegate to the executive committee any powers of the Board subject to any restrictions which may be imposed by the Board. Executive committee

(2) A majority of the number of members of the executive committee, or such greater number as the Board by by-law prescribes, constitutes a quorum. Quorum of executive committee

OBJECTS AND POWERS OF THE CORPORATION

13.—(1) The objects of the Corporation are to assist in the promotion of community and industrial development of land in Ontario by the acquisition of land and the disposal of it to persons in the private and government sectors for residential, community, industrial, governmental and commercial development and, without limiting the generality thereof, in the carrying out of those objects the Corporation has power to, Objects and powers of the Corporation

- (a) purchase, lease, take in exchange or otherwise acquire lands or interests therein, together with any buildings or structures on the lands;
- (b) sell, lease, exchange, mortgage or otherwise dispose of the whole or any portion of the lands and all or any of the buildings or structures that are

then or may after be erected upon the lands and to take such payment or security therefor as may be necessary or desirable;

- (c) lend and invest money on security of real estate and to sell, mortgage, or otherwise dispose of mortgages;
- (d) subscribe for, purchase, invest in, sell, assign or otherwise deal in shares, stocks, bonds, debentures, notes and other securities of any government or municipal corporation, or of any corporation whose objects include the buying and selling of land; and
- (e) do anything that, in the opinion of the Board, can be done advantageously by the Corporation in connection with or ancillary to the carrying out of the objects of the Corporation set out in clauses a, b, c and d.

Limitation
on
investments

R.S.O. 1970,
c. 190

(2) The Corporation shall not invest in any of the securities mentioned in clause d of subsection 1 of a corporation that is a Crown agency within the meaning of *The Crown Agency Act* unless the board of directors of such corporation includes at least one person who is also a member of the Board.

Incidental
powers

R.S.O. 1970,
c. 89

14. The Corporation possesses as incidental and ancillary to its objects those powers contained in subsection 1 of section 24 of *The Corporations Act* except clauses c, j, q, r and t of that subsection.

Expropria-
tion
R.S.O. 1970,
c. 154

15. Subject to *The Expropriations Act*, the Corporation, for and in its own name, may, without the consent of the owner thereof, enter upon, take and expropriate any land or interest therein that it considers necessary for its use or purposes.

Use of
services and
facilities of
ministries,
etc.

16.—(1) In exercising its powers under this Act, the Corporation shall, where appropriate, make use of the services and facilities of any ministry, board, commission or agency of the Government of Ontario.

Staff

R.S.O. 1970,
c. 386

(2) The Corporation may engage persons under contract or otherwise or obtain the appointment under *The Public Service Act* of such persons as are considered necessary from time to time for the proper conduct of the affairs of the Corporation.

HEAD OFFICE AND CORPORATE SEAL

17. The Corporation shall have a head office at such place within Ontario as the Lieutenant Governor in Council shall, from time to time, designate. ^{Head office}

18. The Corporation shall have a seal which shall be adopted by resolution or by-law of the Board. ^{Seal}

FISCAL YEAR

19. The fiscal year of the Corporation commences on the 1st day of April in each year and ends on the 31st day of March in the following year. ^{Fiscal year}

LOANS AND ADVANCES

20.—(1) Subject to the approval of the Lieutenant Governor in Council, the Corporation may borrow from time to time such sums of money as it may consider requisite for any of its purposes and, for the purpose of such borrowing, may issue notes, bonds, debentures and other securities bearing interest at such rate or rates, and payable as to principal, interest and premium, if any, at such time or times and in such manner and in such place or places in Canada or elsewhere, and in the currency of such country or countries, as the Corporation may determine, and such notes, bonds, debentures and other securities may be made redeemable in advance of maturity, at such time or times, and at such price or prices, and in such manner, and either with or without premium, as the Corporation may determine at the time of issue thereof. ^{General borrowing powers}

(2) Where, pursuant to subsection 1, the Board, with the approval of the Lieutenant Governor in Council, has passed a resolution authorizing the borrowing of money by the issue from time to time of notes, bonds, debentures or other securities maturing not later than five years from the respective dates thereof and bearing interest at a rate or rates not exceeding the maximum rate of interest specified in the resolution, the Board without any further approval of the Lieutenant Governor in Council may subsequently and from time to time authorize the issue of such notes, bonds, debentures or other securities, within the maximum principal amount prescribed by such resolution, bearing such respective dates, maturing not later than ^{Idem}

five years from such respective dates, and bearing interest at such respective rates not exceeding the said maximum interest rate, as the Board, in its discretion, may from time to time determine.

Purposes of
Corporation

(3) The purposes of the Corporation, mentioned in subsection 1, without limiting the generality thereof, include,

- (a) repayment on account of the advances by the Province of Ontario to the Corporation;
- (b) payment in whole or in part of any notes, bonds, debentures or other securities of the Corporation issued and delivered to the Treasurer of Ontario in respect of any advances from the Province of Ontario to the Corporation;
- (c) payment, refunding or renewal from time to time of the whole or any part of any loan raised or securities issued by the Corporation under this or any other Act;
- (d) payment of the whole or any part of any loan or of any liability or of any notes, bonds, debentures or other securities, payment whereof is guaranteed or assumed by the Corporation;
- (e) payment of the whole or any part of any other liability or indebtedness of the Corporation; and
- (f) carrying out any of the objects and powers of the Corporation referred to in section 13.

Resolution
conclusive

(4) Where a resolution of the Board authorizing the issue of securities contains a recital or declaration that the amount of the securities so authorized is necessary to realize the net sum required for the purposes of the Corporation, the recital or declaration is conclusive evidence of the facts stated therein.

Corporation
may sell or
pledge

(5) The Corporation may sell or otherwise dispose of any such notes, bonds, debentures and other securities at such price or prices, and on such terms and conditions, as it considers advisable, and either at the face amount thereof or at less or more than the face amount thereof, and may charge, pledge, hypothecate, deposit or otherwise deal with any such securities as collateral security.

(6) Any such securities dealt with as collateral security when redelivered to the Corporation or its nominees on or after payment, satisfaction, release or discharge in whole or in part of any indebtedness or obligation for which such securities may have been given as collateral, or when the Corporation again becomes entitled to such securities, may be treated by the Corporation as unissued and may be issued, reissued, charged, pledged, hypothecated, deposited, dealt with as collateral security, sold or otherwise disposed of from time to time upon such terms and conditions as the Board considers advisable, or at its option, may be cancelled and fresh securities to the like amount and in like form may be issued in lieu thereof with the like consequences and upon such issue or reissue any person entitled thereto has the same rights and remedies as if the same had not been previously issued.

Reissue of securities

(7) The Corporation on such terms and conditions as it considers advisable may charge, pledge, hypothecate, deposit or otherwise deal with, as collateral security, any notes, bonds, debentures or other securities purchased by it under section 13.

Corporation may pledge securities

(8) The notes, bonds, debentures and other securities of the Corporation shall be in such form or forms and in such denomination or denominations and shall be executed in such manner and by such persons as the Board may determine.

Form and execution of securities

(9) The seal of the Corporation may be engraved, lithographed, printed or otherwise mechanically reproduced on any security to which it is to be affixed and any signatures upon any such security and upon the coupons, if any, attached thereto may be engraved, lithographed, printed or otherwise mechanically reproduced thereon.

Reproduction of seal and signatures

(10) The seal of the Corporation when so mechanically reproduced has the same force and effect as if manually affixed and such mechanically reproduced signatures are for all purposes valid and binding upon the Corporation notwithstanding that a person whose signature is so reproduced has ceased to hold office before the date of the security or before its issue.

Effect of mechanical reproduction of seal and signatures

21.—(1) The Treasurer of Ontario, with the approval of the Lieutenant Governor in Council and upon such terms and conditions as the Lieutenant Governor in Council may prescribe, may make loans to the Corporation and may acquire and hold as evidence thereof bonds, debentures, notes or other evidences of indebtedness of the Corporation.

Authority to loan money to the Corporation

Moneys

(2) Notwithstanding the provisions of section 30, the moneys required for the purposes of subsection 1 shall be paid out of the Consolidated Revenue Fund.

Government
authorized
to raise
funds for
purposes of
Corporation
R.S.O. 1970,
c. 166

22. The Lieutenant Governor in Council may raise by way of loan in the manner provided by *The Financial Administration Act* such sums as he considers requisite for the purposes of this Act, and the sums so raised may either be advanced to the Corporation or applied by the Treasurer of Ontario in the purchase of notes, bonds, debentures or other securities of the Corporation issued by the Corporation under this Act.

Advances
may be made
on terms and
conditions
agreed upon

23. All advances made by the Province of Ontario to the Corporation shall be made on such terms and conditions as are agreed upon between the Corporation and the Treasurer of Ontario, and without limiting the generality of the foregoing, the Corporation, in consideration of any advance, may,

- (a) issue and deliver to the Treasurer of Ontario notes, bonds, debentures or other securities of the Corporation for the same principal amount, maturing on the same date or dates, bearing interest at the same rate or rates, and payable as to both principal and interest in the same currency or currencies as the debentures or other securities of the Province of Ontario issued for the purpose of raising the money advanced by the Province of Ontario to the Corporation, and containing such other terms and conditions, if any, as to redemption in advance of maturity or otherwise as the Treasurer of Ontario approves; and
- (b) agree to reimburse the Province of Ontario for all charges and expenses incurred or to be incurred by the Province of Ontario in connection with the creation and issue of such debentures or other securities of the Province of Ontario and the payment from time to time of the interest thereon and the principal thereof whether at maturity or on redemption before maturity and of the amount of the premium, if any, on the redemption, and such other charges and expenses as the Province of Ontario incurs.

24. (1) Subject to the approval of the Lieutenant Governor in Council, the Corporation may from time to time for any of the purposes of the Corporation, borrow by way of temporary loan from any chartered bank to which the *Bank Act* (Canada) applies, from any other bank which is supervised or examined by the central bank or other governmental authority having supervision over banks in the jurisdiction in which the bank carries on business or from any person such sums as the Corporation considered requisite, either by way of bank overdraft or loan or in any other manner whatsoever.

Temporary
loans

R.S.O. 1970,
c. B-1

(2) For the purposes of subsection 1, the Corporation may pledge as security, notes, bonds, debentures or other securities of the Corporation pending the sale thereof or in lieu of selling the same, or may pledge as security, bonds, debentures or other securities owned by the Corporation, or otherwise give such security as the Corporation determines, and any cheques, promissory notes or other instruments that may be necessary or desirable for the purposes of subsection 1 or this subsection may be executed in such manner as the Corporation determines.

Security for
(temporary
loans)

25. Where the Legislature has appropriated money for the purposes of the Corporation, such money is payable out of such appropriation to the Corporation from time to time upon the requisition of the chairman of the Corporation and the direction of the Lieutenant Governor in Council, in such amounts and at such times as are stated in the requisition and direction, and this section has effect notwithstanding that there may be sums due from the Corporation to the Province of Ontario and notwithstanding anything in *The Financial Administration Act*.

Payment
over to
Corporation
of moneys
appropriated

R.S.O. 1970,
c. 166

GENERAL

26. The notes, bonds, debentures and other securities issued by the Corporation are authorized investments for the funds of a corporation to which *The Loan and Trust Corporations Act* or *The Insurance Act* apply and are authorized investments under *The Pension Benefits Act* and *The Trustee Act*.

Corporation
securities
authorized
investments
R.S.O. 1970,
cc. 254, 224,
342, 470

27.—(1) The Corporation may from time to time, for the sound and efficient management of its funds, in its discretion and on such terms and conditions as it may consider advisable, purchase, acquire, hold and sell or otherwise dispose of any of the following securities:

Management
of funds

1. The bonds, debentures or other evidences of indebtedness of or guaranteed by the Government of Canada or Ontario or any other province of Canada.
2. The bonds, debentures or other evidences of indebtedness of corporations referred to in clauses *c, e, f, g, i* and *k* of subsection 1 of section 383 of *The Insurance Act* and in which joint stock insurance companies may invest their funds.
3. The deposit receipts, deposit notes, certificates of deposit, acceptances and other similar instruments issued or endorsed by any chartered bank to which the *Bank Act* (Canada) applies, or by any other bank which is supervised or examined by the central bank or other governmental authority having supervision over banks in the jurisdiction in which the bank carries on business.
4. The guaranteed investment certificates of any trust company that is registered under *The Loan and Trust Corporations Act*.

R.S.O. 1970,
c. 224

R.S.C. 1970,
c. B-1

R.S.O. 1970,
c. 254

Deposit of
funds

(2) The Corporation may deposit from time to time any part of its funds in any chartered bank to which the *Bank Act* (Canada) applies or in any trust company or loan corporation that is registered under *The Loan and Trust Corporations Act* or with the Province of Ontario Savings Office, upon such terms and conditions and for such periods as the Corporation may consider expedient.

ANNUAL REPORT

Annual
report

28. (1) The Corporation shall, after the close of each fiscal year, deliver to the Minister an annual report upon the affairs of the Corporation signed by the chairman and one other director of the Board, and the Minister shall submit the report to the Lieutenant Governor in Council and shall then lay the report before the Assembly if it is in session or, if not, at the next ensuing session.

Additional
reports

(2) In addition to making an annual report under subsection 1, the Corporation shall make to the Minister such other report on its affairs as the Minister from time to time may require.

AUDIT OF ACCOUNTS

Audit
of
accounts

29. -(1) The accounts and financial transactions of the Corporation shall be audited annually by an auditor or firm of auditors appointed by the Corporation and such auditor

or firm of auditors, so appointed, shall be under the direction of and report to the Provincial Auditor.

(2) A report on the audit shall be made by the Provincial Auditor to the Corporation and to the Minister.

(3) The expenses of such audits shall be fixed by the Corporation, with the approval of the Lieutenant Governor in Council, and are payable by the Corporation as part of the costs of administration of the Corporation.

(4) The audited accounts of the Corporation shall form part of the annual report of the Corporation.

30. The moneys required for the purpose of defraying the operating expenses of the Corporation shall, until the 31st day of March, 1975, be paid out of the Consolidated Revenue Fund, and thereafter shall be paid out of the moneys appropriated therefor by the Legislature.

31. This Act comes into force on a day to be named by proclamation of the Lieutenant Governor.

32. This Act may be cited as *The Ontario Land Corporation Act, 1974*.

